THE HON'BLE SRI JUSTICE C.V. RAMULU

Friday, 30th June, 2006

W.P.No.29096 of 1998

Between:

Soham Engineering Constructions,
1-2-593/21, Gaganmahal Colony,
Hyderabad, rep. by its GPA holder
R.Srinivasa Reddy … Petitioner

and

The Superintending Engineer,
Irrigation Department,
G.V.C.-IV, L.M.D. Colony (SRSP)
Karimnagar and another
… Respondents

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ORAL ORDER:

This Writ Petition is filed seeking a Mandamus declaring the action of the respondents in insisting for insurance coverage for the work in Agreement No.LA/40/AIBP/GVC-4/1997-98, dated 11-3-1998 as arbitrary and illegal and consequently to direct the respondents to release the payments for the work done by the petitioner, forthwith.

Heard both sides and perused the entire material made available on record.

The work under the above agreement has already been executed and when final bills were to be paid, an objection was taken by the Audit Department stating that insurance as required under Clause 4.7.1 of the Agreement Bond was not taken and the petitioner is liable to pay an amount of about Rs.7.00 lakhs towards the insurance premium of the work awarded. It is very unfortunate that insurance is being insisted upon, after the entire work is completed. It is not the case of the respondents that there is some damage to the work done by the petitioner or there is any deficiency, which requires to be adjusted from the insured amount or for workmen compensation etc. It seems, there is no such contingency happened while executing the works. Under these circumstances, I am of the opinion that the respondents are not entitled to recover the insurance amount from the petitioner, at this length of time, since the very object of the insurance has lost its significance. Therefore, the Writ Petition is liable to be

allowed.

Accordingly, the Writ Petition is allowed. No order as to costs.

30-6-2006

prk